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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 20, 2014

Bruce H. Evans
Nephi Sandstone
1250 North 200 West
Nephi, Utah 84648

Subject: Follow Up to Conversation, Nephi Sandstone Corporation, Cedar Springs and Champlin #1 Mines, M/023/0059 and S/023/0104, Juab County, Utah

4241

5983

Dear Mr. Evans:

There are several compliance concerns that need to be resolved for the two referenced mines. These were discussed with you on May 13, 2014.

Champlin #1

The issues associated with the Champlin #1 mine are:

- Permit fees and annual reports are past due (see letter dated March 18, 2014). The total amount due for permit fees is \$750.00 (2009 through 2014 excluding 2011). The Division of Oil, Gas and Mining (Division) has never received an annual report for this site since approval was issued in 2009. The Division may take enforcement action if fees and annual reports are not received by June 2, 2014.
- The reclamation surety needs to be increased by June 2, 2014 (see letter dated March 18, 2014). Enforcement action may be taken if the surety is not increased by June 2, 2014, or if other arrangements have not been made, such as to reclaim at least a portion of the site.
- Nephi Sandstone has no authorization from the Bureau of Land Management to mine at this site (see their letter dated March 25, 2009).

Please contact the Division if you will be unable to meet the June 2, 2014, deadline for submitting permit fees and the increased surety. **Until you have approval from the BLM to mine, the only authorized activities are reclamation and routine maintenance.**

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Bruce Evans
S/023/0104
May 20, 2014

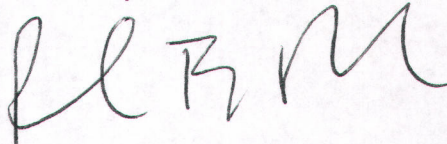
Cedar Springs

Permit fees were not paid for the Cedar Springs mine for 2009, 2010, 2012, 2013 and 2014. The total amount due is \$2,500.00. The Division has not received an annual report since 2005. Please provide the permit fees and annual reports. When backfilling and grading are complete, the Division will authorize partial release of the reclamation surety, and you will no longer be required to pay permit fees.

You expressed concerns about the additional grading work the Division required. Please contact Wayne Western to arrange for an onsite inspection to resolve these issues.

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have any questions regarding this letter,

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Mining Program Manager

PBB: whw: eb

cc: Duane Bays, Fillmore BLM (dbays@blm.gov)

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